

Welcoming a child changes many things, including your financial picture. Planning helps you stay confident and prepared as your family grows. From budgeting for new expenses to protecting your loved ones, the right steps now can make a lasting impact.

Financial readiness is part of building a strong foundation for your family's future. Whether you're expecting or adopting, or are a grandparent, this guide offers practical steps to help you manage costs and safeguard your goals.



Before Your Family Grows

4 STEPS FOR BUILDING FINANCIAL CONFIDENCE

Start planning now to help make the transition to parenthood smoother and more secure. These steps help you prepare for the financial changes ahead:

1. Design a Realistic Budget

Account for new expenses like childcare, healthcare and baby essentials. Understanding your cash flow now helps you stay on track later.

2. Review Insurance Coverage

Confirm that your life and disability policies provide enough protection for your growing family. Adjust coverage if needed to safeguard future goals.

3. Plan for Essential Purchases

Identify what you truly need—crib, car seat, stroller—and set spending limits. Prioritize safety and quality while avoiding unnecessary extras.

4. Talk About a Guardian

Start the conversation about naming a guardian for your child.

After Birth or Adoption

5 STEPS TO HELP PLAN FOR YOUR CHILD'S FUTURE

Once your child arrives, these steps help you plan for their future and keep your financial goals on track:

1. Obtain a Social Security Number

You'll need it to add your child to health insurance, open accounts and claim them as a dependent on your taxes. You can typically submit the paperwork while at the hospital..

2. Add Health Insurance Coverage

Notify your employer or health plan within 30 days to ensure your child is covered.

3. Update Beneficiaries

Review retirement plans, investment accounts and insurance policies to include your child where appropriate.

4. Start Saving for Education

Consider options like UTMA accounts, Coverdell accounts, Trump accounts and 529 plans. Starting early can make a big difference.

5. Stay Focused on Your Goals

Continue contributing to retirement and savings plans. A strong financial foundation benefits your entire family.

Budgeting Tips for a New Baby

Welcoming a child brings joy and new expenses. From health care and childcare to everyday essentials, the first year can add significant spending. Knowing what to expect and setting priorities now may help keep your budget balanced and your financial plan on track.

First-Year Estimated Costs

Please keep in mind these costs are national averages and your expenses could be higher or lower, depending on where you live, your cost of living, and which products or services you choose to purchase for your child.

Planning for Your Baby's First Year

Category	Description	Estimated Budget
Health Care	Out-of-pocket costs for prenatal care, delivery and follow-up based on typical insurance plans.	\$2,854
Child Care	National average rates for full-day, center-based infant care; varies by region and provider.	\$12,000-\$18,000
Housing and Transportation	Additional costs for housing and transportation as your family grows.	\$3,500-\$5,000
Life Insurance	Annual premium for term life coverage for two healthy parents.	\$600-\$800
Diapers and Clothing	One year of diapers, wipes and baby clothing.	\$840-\$2,500
Food and Nursing	Formula, solid food, bottles and breastfeeding supplies.	\$1,200-\$3,400
Furniture and Gear	Crib, car seat, stroller and other essential baby gear.	\$1,500-\$2,500
Miscellaneous	Toiletries, medicine, toys and books.	\$800-\$1,200
Education Savings	Suggested starting contributions toward future education costs.	\$600+

Total Estimated Expenses: \$23K - \$36K+

Sources: BLS 2024, Healthinsurance.org Sep. 2025, U.S. News Aug. 2025

4 Smart Ways to Save

Preparing for a new baby doesn't have to break your budget. A few thoughtful strategies can help you manage costs without compromising quality:

1. Create a Registry for Essentials

Focus on must-have items like a crib, car seat and stroller. Friends and family often want to help—give them a clear list.

2. Leverage Community Resources

Join local parent groups to find deals, share advice and discover gently used items.

3. Buy Secondhand When Safe

Consider consignment shops or hand-me-downs for clothing and gear. For safety reasons, purchase car seats new.

4. Use Tax-Advantaged Accounts

If your employer offers a Health Savings Account (HSA) or Flexible Spending Account (FSA), use these to pay for eligible health and childcare expenses tax-free.

Bringing It All Together

If you're a new grandparent, you have a unique opportunity to make a lasting impact. Beyond helping with diapers, babysitting, or toys, consider contributing to your grandchild's future education. Starting early gives your gift the power to grow for years to come.

Preparing for a new child is exciting, but it's also a time to strengthen your financial foundation. From budgeting and insurance to education savings, every step you take now helps protect your family and create opportunities for the future. Having a plan means less stress and more confidence as life changes.

Ready To Take the Next Step?

Connect with your RWA team to review your plan, and discuss considerations for savings and supporting your family's long-term goals.



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